



MICROSOFT

March 12, 1981

Mr. Pat Harrington
IBM
Bldg. 2B, Dept. 9M3
1000 NW 51st St.
Boca Raton, FL 33431

Dear Mr. Harrington:

This summarizes a revised delivery schedule for products contracted for by IBM from Microsoft.

On November 6, 1980, IBM contracted for delivery of certain pieces of software for its Chess machine. Microsoft committed to deliver each software product a fixed number of days after receipt of a working Chess prototype from IBM and a working game I/O board for that prototype. The range was 96 days for delivery of so-called Level I BASIC to 257 days for FORTRAN. The contract also specifies certain dates for delivery of intermediate products, test suites, and documentation.

Microsoft received its first Chess prototype from IBM the week of November 26, 1980 as specified in the contract. Problems with this prototype abounded. IBM was responsive in sending hardware engineers to Seattle to fix these problems, however, we lost considerable time before we had a "working" prototype and could continue our work. Moreover, per the contract, IBM needed to supply Microsoft with physical device handling code. There was some confusion as to what the interface should be from that code to the Microsoft products. This caused additional delay. We lost 60 days before we actually received the "working" prototype described in the contract.

The contract also calls for 90 day lead time between receipt by Microsoft of a working game I/O board and delivery of any product (most notably Level III BASIC) that accesses that piece of hardware. We did not receive that board until late February.

REVISED SCHEDULE

On March 5 and 6, IBM (Mel Hallerman and Dave Stuerwald) and Microsoft (Bill Gates and Bob O'Rear) met in Seattle to determine what Microsoft could do to help speed up the project in the face of these problems. Microsoft agreed to try to move as fast as possible and committed to certain calendar delivery dates. These calendar delivery dates are still contingent upon no further hardware problems. A summary of those dates follows. Mel Hellerman of IBM will issue a revised software build plan for Chess detailing all new dates.

Mr Pat Harrington
Page 2
March 12, 1981

ITEMS

DELIVERY DATE

Partial Level I for 3/20 ROM	Done
Level I BASIC full screen editor documentation	3/16
Level I BASIC graphics documentation	3/16
Level I BASIC code with known problems	3/16
Level I BASIC minimal disk capability for IBM testing	3/23
DOS without single drive	4/2
DOS documentation	4/2
Level I BASIC	4/2
Level II BASIC	4/2
Level III BASIC documentation	4/6
Assembler and Linker documentation	4/6
DOS w/single disk code	4/20
FORTTRAN documentation	4/20
Level II with RS 232 and TIME, DATE	5/11
Level III	5/11
Pascal Compiler code	5/20
BASIC Compiler code	7/1
FORTTRAN Compiler code	8/10
COBOL Compiler code	8/20

Sincerely yours,



Steven A. Ballmer
Assistant to the President

SAB:lb

cc: Mr. William H. Gates
Mr. Bob O'Rear
Ms. Andrea Lewis